

FIRST REGULAR SESSION

SENATE BILL NO. 400

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATORS CROWELL, JUSTUS, COLEMAN AND CHAMPION.

Read 1st time January 30, 2007, and ordered printed.

TERRY L. SPIELER, Secretary.

1858S.011

AN ACT

To repeal section 135.750, RSMo, and to enact in lieu thereof one new section relating to a tax credit for qualified film production projects.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 135.750, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 135.750, to read as follows:

135.750. 1. **As used in this section, the following terms mean:**

2 **(1) "Highly compensated individual", any individual who receives**
3 **compensation in excess of one million dollars in connection with a**
4 **single qualified film production project;**

5 **(2) "Qualified film production project", any film, video,**
6 **commercial, or television production, as approved by the department**
7 **of economic development and the office of the Missouri film**
8 **commission, that is under thirty minutes in length with an expected**
9 **in-state expenditure budget in excess of fifty thousand dollars, or that**
10 **is over thirty minutes in length with an expected in-state expenditure**
11 **budget in excess of one hundred thousand dollars. Regardless of the**
12 **production costs, "qualified film production project" shall not include**
13 **any:**

14 **(a) News or current events programming;**

15 **(b) Talk show;**

16 **(c) Production produced primarily for industrial, corporate, or**
17 **institutional purposes, and for internal use;**

18 **(d) Sports event or sports program;**

19 **(e) Gala presentation or awards show;**

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

20 (f) Infomercial or any production that directly solicits funds;

21 (g) Political ad;

22 (h) Production that is considered obscene, as defined in section
23 573.010, RSMo;

24 (3) "Qualifying expenses", the sum of the total amount spent in
25 this state for the following by a production company in connection with
26 a qualified film production project:

27 (a) Goods and services leased or purchased by the production
28 company. For goods with a purchase price of twenty-five thousand
29 dollars or more, the amount included in qualifying expenses shall be
30 the purchase price less the fair market value of the goods at the time
31 the production is completed;

32 (b) Compensation and wages paid by the production company on
33 which the production company remitted withholding payments to the
34 department of revenue under chapter 143, RSMo. For purposes of this
35 section, compensation and wages shall not include any amounts paid to
36 a highly compensated individual;

37 (4) "Tax credit", a credit against the tax otherwise due under
38 chapter 143, RSMo, excluding withholding tax imposed by sections
39 143.191 to 143.265, RSMo, or otherwise due under chapter 148, RSMo;

40 (5) "Taxpayer", any individual, partnership, or corporation as
41 described in section 143.441, 143.471, RSMo, or section 148.370, RSMo,
42 that is subject to the tax imposed in chapter 143, RSMo, excluding
43 withholding tax imposed by sections 143.191 to 143.265, RSMo, or the
44 tax imposed in chapter 148, RSMo.

45 2. For all taxable years beginning on or after January 1, 1999, but
46 ending on or before December 31, 2007, a taxpayer shall be granted a tax
47 credit [against the tax otherwise due pursuant to chapter 143, RSMo, excluding
48 withholding tax imposed by sections 143.191 to 143.261, RSMo, or chapter 148,
49 RSMo,] for up to fifty percent of the amount of investment in production or
50 production-related activities in [a qualified film production project. As used in
51 this section, the term "taxpayer" means an individual, a partnership, or a
52 corporation as described in section 143.441, 143.471, RSMo, or section 148.370,
53 RSMo, and the term "qualified film production project" means] any film
54 production project with an expected in-state expenditure budget in excess of three
55 hundred thousand dollars. For all taxable years beginning on or after
56 January 1, 2008, a taxpayer shall be allowed a tax credit for up to fifty

57 **percent of the amount of qualifying expenses in a qualified film**
58 **production project.** Each film production company shall be limited to one
59 qualified film production project per year. Activities qualifying a taxpayer for the
60 tax credit pursuant to this subsection shall be approved by the office of the
61 Missouri film commission and the department of economic development.

62 [2.] **3.** Taxpayers shall apply for the film production tax credit by
63 submitting an application to the department of economic development, on a form
64 provided by the department. As part of the application, the expected in-state
65 expenditures of the qualified film production project shall be documented. In
66 addition, the application shall include an economic impact statement, showing the
67 economic impact from the activities of the film production project. Such economic
68 impact statement shall indicate the impact on the region of the state in which the
69 film production or production-related activities are located and on the state as a
70 whole.

71 [3.] **4. For all taxable years ending on or before December 31,**
72 **2007,** tax credits certified pursuant to subsection 1 of this section shall not
73 exceed one million dollars per taxpayer per year, and shall not exceed a total for
74 all tax credits certified of one million five hundred thousand dollars per
75 year. **For all taxable years beginning on or after January 1, 2008, tax**
76 **credits certified under subsection 1 of this section shall not exceed a**
77 **total for all tax credits certified of ten million five hundred thousand**
78 **dollars per year.** Taxpayers may carry forward unused credits for up to five
79 tax periods, provided all such credits shall be claimed within ten tax periods
80 following the tax period in which the film production or production-related
81 activities for which the credits are certified by the department occurred.

82 [4.] **5.** Notwithstanding any provision of law to the contrary, any
83 taxpayer may sell, assign, exchange, convey or otherwise transfer tax credits
84 allowed in subsection 1 of this section. The taxpayer acquiring the tax credits
85 may use the acquired credits to offset the tax liabilities otherwise imposed by
86 chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to
87 [143.261] **143.265,** RSMo, or chapter 148, RSMo. Unused acquired credits may
88 be carried forward for up to five tax periods, provided all such credits shall be
89 claimed within ten tax periods following the tax period in which the film
90 production or production-related activities for which the credits are certified by
91 the department occurred.

92 **6. Under section 23.253, RSMo, of the Missouri sunset act:**

93 (1) The provisions of the new program authorized under this
94 section shall automatically sunset six years after the effective date of
95 this section unless reauthorized by an act of the general assembly; and

96 (2) If such program is reauthorized, the program authorized
97 under this section shall automatically sunset twelve years after the
98 effective date of the reauthorization of this section; and

99 (3) This section shall terminate on September first of the
100 calendar year immediately following the calendar year in which the
101 program authorized under this section is sunset.

Unofficial

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Bill

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